Cambridge International AS & A Level

Cambridge International Examinations
Cambridge International Advanced Subsidiary and Advanced Level

LAW **9084/31**

Paper 3 Law of Contract **May/June 2017**

1 hour 30 minutes

No Additional Materials are required.

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READ THESE INSTRUCTIONS FIRST

An answer booklet is provided inside this question paper. You should follow the instructions on the front cover of the answer booklet. If you need additional answer paper ask the invigilator for a continuation booklet.

Answer **one** question from **Section A**, **one** from **Section B** and **one other**, thus making a total of **three** responses required.

The number of marks is given in brackets [ ] at the end of each question or part question.

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Candidates must attempt **one** question from **Section A**, **one** from **Section B** and **one other**, thus making a total of **three** responses required.

Section A

1 It can be unjust when the courts limit the liability of those who commit breaches of contract.

Examine the rules of causation and remoteness applied by the courts and critically assess the extent to which you agree with the statement above. [25]

2 The doctrine of promissory estoppel has resolved the hardship frequently experienced as a result of applying the Common Law rules of consideration.

Discuss the circumstances under which this doctrine is applied and critically analyse its effectiveness in mitigating the potential harshness of the Common Law. [25]

3 Explain and critically evaluate the rules for the incorporation of exemption clauses into a contract. [25]

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Section B

4 Pablo is a professional racing driver. Q Racing employs him for the season to drive for its team. Pablo signs a contract with Q Racing; its terms state that while working for the company, he must not drive professionally for any other motor racing team. He does not read the terms of the contract.

Several months later, Q Racing discovers that Pablo has been racing for T Sport. Q Racing wants to enforce its contract with Pablo and prevent him from driving for T Sport until the current season is over.

Discuss whether or not Pablo is bound by his contract with Q Racing and consider the likelihood of an award of any of the remedies that might be sought. [25]

5 Sukhi takes her dog, Fifi, for a walk in the local park one day in April. She lets the dog off the lead and Fifi runs off, chasing a rabbit. After half an hour of searching for Fifi, Sukhi returns home. The following day, Sukhi places an advertisement in the local newspaper offering £500 for the return of Fifi.

A few days later,Tatiana is on her way home from work and finds a dog that appears to be lost. She checks the dog's collar and finds a tag bearing the name Fifi and giving Sukhi's address. Tatiana takes the dog to the address and knocks on the door. Sukhi is delighted to be reunited with Fifi and thanks Tatiana.

On her way home, Tatiana buys a copy of the local newspaper and sees the advertisement placed by Sukhi.

Advise Sukhi and Tatiana as to their contractual rights and obligations in this situation. [25]

6 Ursula, Veena and Wanda have worked together for many years. None of them earns very much and they decide to buy tickets together to enter the National Lottery in order to win a large sum of money so that they can all give up working.

They agree that each will contribute £2, that £6 worth of lottery tickets will be purchased each week and that any winnings will be shared equally between them. They also agree to take it in turns to purchase the tickets.

After several months, one of their tickets, purchased that week by Wanda, wins £500 000 in the lottery draw on a Saturday. Ursula and Veena arrive at work on the following Monday morning, only to discover that Wanda is not there. They discover that Wanda has claimed the prize money for herself and is not going to share any of it with them.

Advise Wanda as to her legal entitlement to keep all of the winnings in this situation and explore any remedies that Ursula and Veena might pursue against her. [25]

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